



# STRONG HOSPITALS. STRONG COMMUNITIES.

## SUPPORT THE 340B DRUG PRICING PROGRAM

SB1414 by Sen. Richard Briggs (R-Knoxville) | HB1242 by Rep. Esther Helton-Haynes (R-East Ridge)

For more than 30 years, the 340B Drug Pricing Program has provided financial help to eligible Tennessee hospitals serving vulnerable communities to manage rising prescription drug costs. The 340B program is critical to the 48 eligible hospitals throughout Tennessee. This legislation seeks to codify the federally approved 340B program in state law and thwart drug manufacturers' efforts to unilaterally and unlawfully make changes, which include efforts to change the program from an upfront discount to a back-end rebate model.

### WHAT IS THE 340B DRUG PRICING PROGRAM?



Section 340B of the *Public Health Service Act* requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to qualified non-profit healthcare organizations. 340B hospitals use the savings to reinvest in programs that enhance patient services and access to care, as well as provide free or reduced-price prescription drugs to vulnerable patient populations.

The program is more important than ever as drug prices are the most rapidly growing expense for hospitals. For the first time in history, the median price of a new drug is \$300,000 – more than four times the median annual household income in the U.S. The costs for new drugs launched by pharmaceutical companies rose by 35% from 2022 to 2023.

As major purchasers of drugs, hospitals are forced to bear a significant burden of rising costs. 340B helps hospitals navigate out-of-control drug costs and is an important tool to retain low-cost access to care in communities across Tennessee.

### HOW DOES 340B IMPACT TENNESSEE COMMUNITIES?

Tennessee's hospitals are anchor institutions in their communities, providing both economic vitality and access to healthcare. The 340B drug pricing program allows eligible hospitals, both urban and rural, to support important community health needs.

The 340B drug pricing program allows covered safety net hospitals and other community care organizations to access certain outpatient prescription drugs at discounted prices. The program, created by Congress, has been an integral part of the fabric of healthcare financing since its inception in 1992 and does not require any state taxpayer dollars. Covered safety net providers have been able to drive savings from the program into their communities for more than 30 years, supporting access to care for Tennessee's most vulnerable patients and reinvesting savings in programs designed to increase access to prescription medicines and other health services.



# THE 340B PROGRAM IS CRITICAL TO THE 48 ELIGIBLE HOSPITALS THROUGHOUT TENNESSEE.

ASCENSION SAINT THOMAS HICKMAN HOSPITAL

ASCENSION SAINT THOMAS RIVER PARK HOSPITAL

ASCENSION SAINT THOMAS RUTHERFORD HOSPITAL

ASCENSION SAINT THOMAS THREE RIVERS HOSPITAL

BAPTIST MEMORIAL HOSPITAL FOR WOMEN

BAPTIST MEMORIAL HOSPITAL, COLLIERVILLE

BAPTIST MEMORIAL HOSPITAL, MEMPHIS

BAPTIST MEMORIAL HOSPITAL, UNION CITY

BAPTIST MEMORIAL HOSPITAL, TIPTON

BRISTOL REGIONAL MEDICAL CENTER

COOKEVILLE REGIONAL MEDICAL CENTER

CUMBERLAND MEDICAL CENTER

EAST TENNESSEE CHILDREN'S HOSPITAL

ERLANGER BLEDSOE HOSPITAL

ERLANGER EAST HOSPITAL

ERLANGER MEDICAL CENTER-BARONESS HOSPITAL

ERLANGER NORTH HOSPITAL

FORT SANDERS REGIONAL MEDICAL CENTER

FRANKLIN WOODS COMMUNITY HOSPITAL

HANCOCK COUNTY HOSPITAL

HARDIN COUNTY GENERAL HOSPITAL

HH HEALTH SYSTEM, LINCOLN

INDIAN PATH COMMUNITY HOSPITAL

JACKSON-MADISON COUNTY GENERAL HOSPITAL

JOHNSON CITY MEDICAL CENTER

JOHNSON COUNTY COMMUNITY HOSPITAL

LE BONHEUR CHILDREN'S HOSPITAL

LECONTE MEDICAL CENTER

MARSHALL MEDICAL CENTER

MAURY REGIONAL MEDICAL CENTER

METHODIST LE BONHEUR GERMANTOWN HOSPITAL

METHODIST NORTH HOSPITAL

METHODIST SOUTH HOSPITAL

METHODIST UNIVERSITY HOSPITAL

MORRISTOWN-HAMBLE HOSPITAL

NASHVILLE GENERAL HOSPITAL

REGIONAL ONE HEALTH

RHEA MEDICAL CENTER

ST. JUDE CHILDREN'S RESEARCH HOSPITAL

SWEETWATER HOSPITAL ASSOCIATION

UNITY MEDICAL CENTER

UNIVERSITY OF TENNESSEE MEDICAL CENTER

VANDERBILT UNIVERSITY MEDICAL CENTER

WEST TENNESSEE HEALTHCARE BOLIVAR HOSPITAL

WEST TENNESSEE HEALTHCARE CAMDEN HOSPITAL

WEST TENNESSEE HEALTHCARE DYERSBURG HOSPITAL

WEST TENNESSEE HEALTHCARE VOLUNTEER HOSPITAL

WEST TENNESSEE HEALTHCARE NORTH HOSPITAL



**STRONG HOSPITALS. STRONG COMMUNITIES.**

Updated on February 13, 2025